500 die as Tanza
ferry capsizes on Lake Victoria
 Mwanza Rescue. workerss found 120 survivors and
recovered 55 bodies. Survivors said many passenrecovered 2 s bodies. Surrivors said many passen-
gers were canght undernatht the vessel wwen it It
turned over and sank The ship was due to be taken gers were cand
turnoed over and
out of service.
Food price rises to be short-Fved: A rise in
world pricultural
short-tived and risks encouraginging in inductrestilised hhorthived and risks encouragegng indroverialised ountries to relaxat theif effirts to reform farm poli-
iens. an organisation of reconomic Copperation
nni Development
 Somb kills 16 in Delhi A A Kashmiri militant
 Deursche Telekom attacked. Dietmar Kuhnt,
chairman of RWE, Germanys largest energy group
accused Deutsche Telekom, the state telecommuni.
 tair competition Page 15; Jex. Page
setback on Telstra sell-of, Page 6
Mafria 'channelling monay to Russia': Senio
Italia police ofticers believe that the Mafiais has ben channelling large emounts of moneytit has Russis


## 

 ejected the call Page 6 :
MEP's told to eut eostas The European per cent jumupy in four years, MERS were told. The
 Sonat Hfts bid for Transocear; A battle
between two Texan oill drillers to take over Norfavoir of Sonde Ditrithore Drilinay when it increased
 - Toyota hi Chtin vonturee: Toyota, Japan's that it has won approval for a longstainding glan to
manutacture engines in TTTanjiu, northern Chinal Page 14; Honda surges, Page 20
US pressises for 'open. stios' dopl with UK:
The US gvernment tave its frmest indication that
it would block any alliance between
 ways and American Airlines umless the sk agreed
to conclude an "open skies agreement with the US.
Page to concli
Page 5
Call for break-up of UK airports groupp AA ports group, to be broken up, saying London's Heathrow, Gotwick and Stansted dirports should
not be rum by one company. Page 9 ; Lex, Page 21 Ulestor tallss under. throat The UK government Treland when the USTter UTionistst threatened to Withdraw surpport trom the Conservadives and Simi
Fpem played down prospects of an IRA ceasefire.
Page. Page. 9
China seekg end to mpN annual reviow:
Bivime rige Washington to end its disurptive"
anmuat review of Chima's Most Favoured Nation
 inverseass growth ifts TDK. Strong growth in profits at TOK, the world's largest maker of mag-
netict tapes, by imost 70 per cent to Yisi.9bo

Mres profits rise 7.2\%: Reviving consumer
sentiment belped Marts and Spencer, the leading British high struett retailer, to a 72 per centr rise in
 Page 15; Lex, Page
atramee, Page 22

'Furious' Major launches retaliatory campaign as Brussels remains firm on beef ban

## UK vows to disrupt EU business

| day | a partial lifting of the embargo relation to some derivative prod- | Echoes of 'empty chatr' policy; Mi Editortal Comment Paga 13; Sho | ved rise in farm prices Page 14 | Ministers were yesterday drawing parallels with General de Gonlu's operation in 1955 of | $\begin{aligned} & \text { tral } \\ & \text { Trs } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
|  |  |  | longer term a policy of | 硡 | prevent any decisions from being |
|  | of |  |  |  | However, tha British govern- |
| an exports of British |  |  |  |  |  |
| 退 weeks of | Ear | Br |  |  |  |
| jor, the prtme minister, | issua which required a unani |  |  | Ihind, the | hen |
|  | mou | RU officials described Mr |  | The government sald it woold |  |
| Ss as usual within Europe | He accused a handful of EU |  |  |  |  |
| en laced with a clear distre | ${ }_{\text {Spa }}$ | tivacknai |  | lifting the | item on |
| se |  |  |  |  |  |
| t. | Br |  |  |  |  |
| move, agreed by mimisters | ca | The |  |  | that the prime minister would |
| erday torning, was | reneging on assurances that they would support a partial liting of | that it would have a significant effect on EU business in the short | sope with people clamour: | fishing is on the table, we will talk about beef. | the issue by the council of |
| d |  | term. but conceded that in the |  |  |  |

Public sector workers strike in support of pay claim $\begin{aligned} & \text { ■ Negotiations resume today }\end{aligned}$ Malaysian
Germany slips into 'recession' as GDP falls again

 standard US and UK definition.
Withont giving figures, the
Bonn econvirs Bonn economics ministry
reported yesterday that ross
domestic prodnct in the first
 seasonaly aijusted basis to an
extent similar to the preivous
quarter" and showed harily quarter" and showed hardly am
increase compared with the firs quarter of hast year. Meanwhile, public sector work-
ers in numerous German cities
taged forther ars in numerous German cities
stage further short "warning
strikes" yester hay strikes" yesterday in support or
theirs unions
claim por por cent pay The estoppages. whiovers. were con-
centrated in eastern Germandisrupted municipal transpor
and refose disposal services and and refose idisposal servicices an
some hospital and postal sel
vices. Employers and the vices. Employers and the publi
worters vion negotiations today. Thn statement from the Bonn the economy shrank by abont o.5
per cent in the hrre monts. to
the end of March, witicb was the
 dics office will produce ontacia
irst quarter figures oext month
EdF group buys big stake in Brazil power company



WTM4 x6g+ setzen Beschäftigte der Stadtiwerke
$\square$

The ministry blamed the down- people with low incomes, the
 This announcermenl appcars as a manter of recond only INSTITUTIONAL BUY-OUT

Warburton's bakery retailing and savoury pie manufacturing divisions From


By
L NDALE

Sructured, Led and Equity Underwitten by HSBC Private Equity

Midland Bank ple
Midland Bank plc

KPMG Corporate Finance Addleshaw Sons \& Latham

## Clamp down on budget, MEPs told

| By Neill Buckley in Strasbourg |
| :---: |
| The European parliament must cut its spiralling costs after a 50 per cent jump in four vears |
| MEPs were told yeterday. |
| new buuldings in the parlia- |
| ment's twin centres of Brussels |
| and Strasbourg has sent the |
| budget to Ecro934m (is1.16br) - |
| 16 per cent up on this year's |
| much again as the 1994 figure of Ecu596m |
| The parliament is building a |
| Ecni3lm debating cbamber |
|  |
| Stirow from an existing |
| complex and the higgest single |
| also expanding operations in |
| Brussels. |
| MEPs were warned that a |
| rise in costs could break Euro- |
| pean union rules, wilch imit |
| and to 20 per cent of EU |
| ministrative spending. |
| der the provisional budget |
| ament's share would |
| be 21.4 per cent <br> MEPs were yesterday consid- |
|  |
| lem, including knocking |
| If the proposed 1997 |
| et. and will vote on the |
| issue tomorrow. |
| hulldines will be stor |
| 这 by a report from Mr Piet |
| nke |
| ares |
| he decision was taken "with- |
| out regard" to the EU spending |
|  |
|  |
| spending watch. |
|  |
| did not follow proper |
|  |
| he budget problems ha |


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## Lufthansa chief

 hits out at aid for rival airlines By Andrew FishIn Frankfurt

## Jufthansa's chairman, Jurgen Weher, yesterday ubsldies granted hy som tionan governments to their ithe latest cost-cutting and closely. Most directed vernment Air France, whose bject of a complaint to the man airline Brussels has alinjection at the Spanish air Ibria, after scaling it back We arpose not extrixt condy pitionss. ken something lile this hal  or a capital increase 3.000bn (si.pb) from Iri, , state bolding company which is its majoritits sharebolder, an rivate mestors. We will have to study care fully -and we dont know th conditions - wbether this   arket or state apacty ased th structure the company ann the tit healthy and stahl




KPMG has agreed to help, says Karadzic
Bosnian Serb leader claims 'co-operation' accord with subsidiary of US accountants



Russian Communist rejection of IMF 'diktat' may endanger loan




## Georgians balk at paying price of recovery




## 

France makes it up with N-test critics

## yy Devid Buchan in Parts

rance yesterday mended its nhd Austria which last year led he estrong criticism inside the
Europan UWion of French ulferar tests.
After taks with
President After talks with President
Jacques Chirac. Mr Goran
Persson, the Swedish prime Jacques, Chirac, Med qrime
Pessonon, the Swedish prime
minister, said the row over ninister, said the row over
nuclear testltg was "behind
ust and tine way was open for
impoved cooperation on hilatmproved cooperas.
The same sentiment emerged
trom separate talks which
Chancellor Frant Vranth Chancellor Franz Vranitsky of
Austria held yesterrday with Mr The impression of a signifi-
ant French effort at reconcil
 also met MMsterdar Mr Rohbingon
president of Ireland, another neutral EU member which con-
demmed the French tests last In fact, the holding of thes
hree meetings yesterday wa liree meetiogs yesterday was
largely by chance Mr Mranit
sky was in Parts to preside sky was in Parts to preside
over the ministetial session of
the Organiation for Economic
Cooperation and Development Cooperation and Development
and Mrs Robinson was lim the
French capital to open a culFrench cap
tural event
However, French leaders and
offcials made clear their desire officials made clear their desire
to repair the diplomatic dam-
age to France's relations with age to France's relations with
many of he 10 Ev states wbo
voted at the United Nations to autumn Mr Chirac was furious that proportionately greater within
the 15 nation EV than within
the in pique. he canceled mee
ings be or Mr Jupee were
have had with leat den. Austria. Finland. Belgium
and Itaye Evidenco of chang
of tone in Paris came las ot tone in Paris came last
weekend in a ararm invitiou
to Mr Romano Proi. taly's
new prime minister. to visit France
Franc
France's discussions with its
nnutral EU partrens sesterday
largely
 tion to make to European secu
rity remimided the president of
the Swe isb.Fin
 should play a greater role in
international peacel eeping
For his part Mr Chira eraised

the role of Swedisb tropops in | the |
| :---: |
| Bosni |
| Mr |

 pean social model" was in line
with his own Scoial Demorrats
desire to combat unemploy desire to "combat unemplo
ment while retaining big
ambitions io social In answer to Mr chiract's cal
for maximum memberip o
the planned the plannume membership of
monetary unic and
claimed Swoilen , Mr Persson monetary union, wr Persson
claimed Sweden wa on target
to qualify
rency. but sor the sid the single cerr-
Swedish
 union
MF Jupp
identlty of
Vranitsy
men
 nechanism to regulate Iuctua
tions between thosecurrences
in and out of the currency
union.
nNCIAL TIMES WEDNESDAY MAY 221996

\section*{| Evaooewn news olest |
| :--- |
| Europe risking |
| 'anaemic growth |}







Oslo talks on engineering strike
 emgineering workers
The strike
has cripple
The strike has crippled mach of the country's engineering
industry, inclulding shipyards, and caused a shutdown across he border in Sweden at Saab's Soedertaelje plant as the
company ran out of key components.
 sides are obliged by law to appear when summoned by the

Slovenia set to sign EU accord



Mr Santer seid Slo Mr Santer seid Slovenia's prime minister, Mr Janez compromise with Italy to end a dispute over the property
riehts of ethnic takians who fied the country when the communists took over at the end of the second world war. That dispute has soured EV relations with Slovenia since the repubic broke away trom Y Yggolavia in 1991 .
Inder a S Spanikb-brokered compromise, the Slovene parliameat has agreed to oppen the country's property market
to Eran nationals within toper years of sigring the association
accori.
AP, Brussel
Zagreb restores Slavonia phones
 The move comes as part of a UN-monitored remegration constituting a thind of the counutry, were recaptured by the The Serb authorities in eastern Slavonia gave up 5ghting for heir own autonomy atter President Slobodan Milosevici in
 Yesterday also marked the start of of a 3 -day TThis is yet anothror importar Contstantep in in srinptinesman peace and seciurity to the people of the. Tesion; tow inds re extahishisment Foir five years it has been impossible to reach eastern
Slaviojalay phooe from Croatta Yesterday an minitial 30 phone A postal systerm has already been estabished Two weeks
ago the main road instiog Zagreb and the Yugoslav capital,


EU statement backs Ukraine
 securtty' ET's declaration also expressed backing for the former
Toviet republic's economic liberalisation drive and welcomed
 It was issmed in Rome after hhe puraininan foreign minister. Mr Hennady Udovenko, met his tralian counterpart. Mr
Lamberto Dini and colleagues from Spain and Ireland wh comprise the EUS ${ }^{\text {troikgal }}$ of current, past and future Orraine, which gained indepandence in 1991, has been at
odds with its pro-Rossian auttonomous region of crimea, wher in recant montishs, tensioiss appes tos to have subssided
 and headquarters in the Crimean part of Sevastopol have
prevented signature of a friendslip treaty between the

Russia forecasts better harvest The Russian grain harvest is expected to rise this year and
reboumd from the worst harvest in 30 years, a Ruscian news
 new agency reparted Last year's harrvest was abouts 67 m tonnes, the worst since diffeculties for farmens but the spring sowing was going well,
dP, Moson mioistry officials said.
ECONOMIC WATCH
Sweden again trims repo rate Ease

## Siveden

 its main repurchase lending
rate from 6.70 per cent to 6.50
per per cent The repo rent to cris-
the tith this year - was




 Riksbank said the posituve standings rentected an inshine The trade balance and high transfers from the European Univn in
tanuery and February. Return on capital, however, had fallen
and


 donnI IL4 per cent partly beca
working iays in March 1996. Greg Mchor, Stockholm

## The west's diplomats in Tirana get wake-up calls

Albania's election is turning nasty, writes Kevin Done, as the ruling Democratic party fears a comeback by ex-communist



## Life jail sentences urged for Albanian officials

An Albanian prosentor
yesterday: called for life
 ing a former presldent.
charged with poitital pescect.
tion while in power. Reuter tion while in pow
 ageinst hicials with with crimes
the internal exile of oring
dissidents, demandin
of themu
The m Thee most prominent defen-
dant was dant was Mr Haxhi Lleshi,
Albania's president from 1953
 dictator He was also charged
under the controversial new
genocide law for allegealy $\mathbf{~ c o m}$ genocide law for allegedly con-
spivig to eraidate an entire
section of society - tha dissidents.
fore are not chargigy them
for overstepping theitr author
 pal reasons," Mir Sule for poiitl
a Trama courrt a Mr Sulstafa called for life
jail sentences for $M r$ Mr Manush Misftin, former
depnty prime minister, Mr
Arantit Coles chairman, and Mr Zyylyfar
Ramizi, the depnty interior
俍 mimister whn also headed the
notorions Sigurimi secret
police police.
The pro


 victed $\begin{aligned} & \text { Mr Sulstafa said their orders } \\ & \text { to exlle dissidents had }\end{aligned}$ colte华terna timal rimad violated
 Sige , well as the constitlu
tron ralid at the time.
Arnund 100,000 Albanians

 incs against the Stalinist gove
ernment or tryng terape
from the isolated Balken state. The first sentence based on
the genocide law was handed

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NO ONE DOUBTS THAT the relationship between a bank and its client is a delicate thing requiring understanding, empathy and, above all, openness and trust. At least these are what we've found to be the indispensable ingredients of a successful, long-lasting partnership

[^0]Saddam reckons policy reversal may bolster his chance of survival $\square$ Hopes of reducing Iraqi people's hardship

## Ireaq food-for-oil deal offers 'something for everyone'

| By Roula Khalaf and Rob Corzine |
| :---: |
| The fool-for-oil deal agree |
|  |
| ons on Monday has |
| es because each party sees |
| it at way to further its own jectives. |
| There is something for |
| eryone in this deal," Mr |
| assan Atiyyah, a former |
| He |
| qi File, said yesterday. |
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| s |
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| posed after Iraq's |
| ion of Kuwait in 1990, in |
| a |
| Saddam appears |
| mounting domestic suffering |
| and litte prospect of a full lift- |
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| his objections to direct UN |
| ement in traq was a pre |
| requisite to holstering his |
| slyirterm chances of survizal. |
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## Mloscow makes surprise application to join OECD

By Graham Bowley and
Gillian Tett in Paris (0) C(D $R$ R $\begin{aligned} & \text { sia st president Boris yeltrin } \\ & \text { aheand of the countrys presi } \\ & \text { dention }\end{aligned}$ (OCCD $\sqrt{\mathrm{R} \mathrm{u} \mathrm{s} \text { s i ar }}$ yesterday sur- $\begin{gathered}\text { dential elections next month } \\ \text { Mr Franz Vranitzky, the }\end{gathered}$


 IT accepted the requast - made
at ite met ine
ters in Paris - ored minis. ters in Paris - would be the
latest step in Russids integra-
tion unto the world ecroomg. tion unto the world ecroomy.
Acceptanee would also be a
sigmal of the wests support for



## Brittan in fierce attack on US trade policies

|  |  | trade in information techmolog' products, which Sir Leon |
| :---: | :---: | :---: |
|  |  | said were "stuch". Thoogh Sir Leon did not name the US, EX officials said |
| US trade poilici, sugrest |  | Wis remarks were directed at |
| $\begin{aligned} & \text { back global economite liberalis- } \\ & \text { ation and jopardised the mul- } \\ & \text { tilateral trade system. } \end{aligned}$ | ton act was one of a series of recent checks and setbacks | largely responsibile for recent rroilems. The oul OECD me |
| Sir Leon mas particularly | These inclnded the |  |
| provides for legal actions apainst fores. with thuestments in Comanaine |  | trade tactiss. Mr Stuart Eizenstat, os |
| led the Eelms | telecommmications negoti |  |
| extro-erotitiorial aid |  |  |
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| Poiltcally |  |  |
| 为 We toid a mimit |  |  |
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|  | IS 9 | 10 SS |
| By Gilican Tett in Paris | tries like France and Cermany | of |
| Europe's citzzens could face a |  |  |
|  | ing eart ney |  |
| told ministers from 27 indussi- | markets' concern abou |  |
|  |  |  |
| systems were likely to unsustainahle in the future | Onency may have, | len next two years. In place of |
| and that there was still little progress in cutting unemploy. |  | OECD is insted sisugesing |
| ${ }_{\text {ment }}^{\text {meate }}$ | Suspeet tis could | should improve the |
| Thiss |  | \% |
|  | $\underbrace{\substack{\text { lent }}}_{\text {levels }}$ | ${ }_{\text {disem }}^{\text {dem }}$ |
|  | as raising the retiremen | Uuilike |
| Tear that the most $r$ adical | But any move in this | cas |
| ate | tionwould gotagains |  |
| The OEcD's full pensio | could exacerbate the oth | work |
| unilil heter this year. | Ont this istue the 0 |  |
|  | terlay presented a hipar | countries could be che |
| systems in almost all countrie | ing major stay showime | membersil, the OECD thinks |
|  | economists yesterdy ad | thy |
| reatavely lights |  |  |
| We K K-anad |  |  |
| the UK may be undermined |  |  |
| sighilu hy the recent worse | ke |  |
| ment finames. |  |  |
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Israel's
Arabs see poll hopes boosted

Electoral prospects of Israel Arah parties were considerably
boosted
yesterday as
Mi Ahmed Tizb le leader of a new
Aran political party. witharew
from the electoral from the electoral race eight
days hefore the May
Mr Thbl's witharrawal leaves only two seriour parties come
peting for the votes of 500,000
 in the race for the Knesset
(parailiment) and considerably
reverest the chances of Arah
votes beine split and waster in otes being spitit and wasted in
Israel's proportonal represea
tation system. The move tation system. The mo
should help to incease Ista
Arab
 greater polititaca power to press
for statehood for their Palestin-
ian cousins in the West Bank ian cousins in the West Bark
and Gaza
citizenship for thel and equal
izans the Arah cit izens of Israel.
Mr Tini, long-time atvis
to Palestinian President
 Arab eaders calling on their
community to hack lisrael
prime minister Shimon Peres prime minister Shimon Peras
in the separate
for the theman race Mr Tbisis endorss.ment of
Peres could help in a tou
election where the Arah
 lite, might secure the Labour
leades victory over rightwing
opposition leader Mr Benjanin opposition leader Mr Benjamin
Netanyahu
Opinion polls publisbed yes Opinion polls publisbed yes-
terray showed 65 per cent of
Israeis Arahs. fearful that a rightwing government would
destros the Irail.palestiniane
peace rocess intend to vote?

 drayn trom tbe race because
he feared the Arab Movement
for Change. his newly formed for Change, his newly formed
party. would not garner
euough votes to win a Kresset euogh votest on no a garner
euneuset
seat and would drain ovos
from the more estabished
Arab parties. Under lsreel's
election Arab parties. Under Lsrael's
election law a political party
minst win at least 1.5 per cent of the votes cast to qualify
Knesset representation
-Out of historic and mo Out of hisstoric and moral
responsility out of
national hand civil responsibil-
ity we auve declided not to take
si even the
dividisi
Tibit said

have ive seats in the the 120 -mem. nem
her Knesset. Recent opinion polis sugesent the Arah parties are unligely to to expand
heir reperesantal
 with eight or nine seats. make.
ing betam potetial king-mak-
ers of a future coalition.

## NEWS: WORLD TRADE

## US links BA tie-up to ${ }^{6}$ open skies' ${ }^{\text {Optic link }}$ <br> arrives

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## China urges US to end

 annual MFN wranglesy Tory Walker in Bolfng Beijing yasterday welcomed

the
the decision to renew Chin's. Most Favoured Nation
trading tstatus. but urged
Washington to end its. "disrip Washington to end its "risreap
tive annual review. China's forelige ministry said normal taname. long. term and elations. "We hope the US wil everre this erroneous prac
bice, said a ministry spokes Earlier, vice-premier Li Lan-
qing had added his voice to
calls for an end to the annual eview, an end to the annual In ibility for foreigan trade


## Indonesian minister in plea over US cotton

By Manuela Sarragosa :
in Jakarta Indonesia's mimister for trade
and tndustry, Mr Tumky Arliwit bowo, has requested ths THS government to sidiresse z : dis sus-infected US cotion, a move which anialysts cotion, a move iuns conrary tomingts say iuns con.
rate remuations. Mr Arrwibowo has sent a let.
ter to Mr Dan Glicman. US
secretary of artcittme thont
 The fori carriers operate
number cor codresartine aree
ments. These allow thema to sents. These allow thene to
sell seats and put thoir fright
 anti-trust immunity wooll
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schededues more clocely.

 broweht it benefits over hiha
ppast year of si3m Howver,
BA and USAIT do not bave
 anti-trust immunity, which
himitit the abbltyt ot ohare tacil
tities and offer joint services.


## YOU HAVE PROJECTS... WE HAVE SOLUTIONS TO MAKE IT HAPPEN




 tau can be adapite to to the persmentry of your vorldwude mussonn in the area of application
 Sill


 mberuet : Lutpl//wwicgi-cop.com

via sewers of Paris
By David Buchen in Parrs MFS Commanications, a
US.-based telecoms company,
testerday announced
the

 Paris. MFS was the first
Francan to to create a in tencecom
in Franca to rereate a telecomss
network indepandent of France
Telecom, because its new servloe is only for business wsers.
Mrs arready has some 50 cli



 sidiary, said the Paris city
councii's agreement to lot it


 The 201m network spans the
Paris
than Ananciald districict from Paris hnancial district trom
the Arc e Triomphat the the
Bourse, and its frrot client is
V Bourse, and its first client is
Uliel s seadng financial insti-
tution in the Paris interbank tuet, s leading financial inst-
tution in the Paris sinterbank
market with 350 emplovees and
2 market with 350 employees and
2.000 tolephone lines. The optic
fibre has bsen supplied by Alcatal of Frrance, and uses a
technology known as Asynchronous Transfar Mode
(ATM, Iranticall inverted by
France Tolicom envineers to (ATM), ironically invented by
FTace Telemen enifieers to
pack more data down 1 ine pack more data down s line.
TTs singe ATM technolog is
to be used by a now talecom to bes , esed by a new tolecon
ispers group set up yesterday in Sophalatatipolis, the science
park outside Nice. Ths new
group has
 Eurosud 1555 becalysit it win be
using an ATM network capable
of transsithn of transmim netry 155 m bits of
dsta a second.
 Francets thirr mot mobile phonene
operator by ths end of this operator by ths end of this
manth, yasteriay salid it had
awarded Northern Telecom of awarded Northern Telecom of
Canada and Matra of France a
S50ad
 stations for new coverage in
the Cots dizaur and Lyons
areas and to expand stations in

WORLD TRADE NEWS DIGEST
Siemens in US chip venture
Siemnens of Germany and Motorola of the US yesterday sald
they they planned to buyida a chip plant in Reichmond, Virgivia, at a
cost of Si.sbn The lant, scheduled to begin operations in the fourth quarter of this year, will produce 64 -megabit memory South Korea's $L G$ Semican also confirmed tts commitment
to build semlconductor plants overseas, despite a global glut of
 plans to bundd planets in Mhalaysia and Europe to make 16 -and
 production in 1998. A decision on a European palant is expected
next month
Fitaff. London
Zeneca to boost herbicide plant Zeneca Agrochemicals of the UK yesterday announced plans
to double the size of tits Gramoxone herbicide plant to be buil
 Mr Mithael Pragnell, chief execurtive of the company, said was doubiung the capacity of the plant to ,, 000 tonness syear
because demand for Gramoxone had grown to such an extent throughout Asia.
The plant expects to begin production by 1998 . Zeneca's
parteres inclode Nantong Pestlcide, Jianesu


NZ group plans China brewery Lion Nathan, the biggest liquor eroup in Australasia, is to
build $s$ brew ery in Suzhou, south China, where it will prodnce as much
breweries.
It will be Lion Nathan'a second brewery in China. Last ye It began ajoint venture, the Lion Nsthan Tainushui Brewery,
in nearby Wuxi In one year the company doubled output at Lion Nsthan, which produces Castlemaine XXXX, Swan, In the Suzhou brewery over the next twa years and will be
Terry Hall Wellington
wowned.
CChrysier, General Motors and Ford of the US sold 10,603
 cent share of the Japanese vehicle market in April. ap from 1.4
per cent s year earlier, it said.

- The European Union will take counteraction against the examine an EU ban on imports of hormone-freated beef, Mr Franz Fischher, farm commisstoner, said yesterday. The WTO
agreed on Monday to
look into
 But Mr Fischler said unilateral US sanctions a




## BJP pledges 'reformist' budget in July

| By Mark Nicholso in New Delh |
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| A Bharatiya Janata party |
| erament would |
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| eek of July if it mome |
| dia's newl |
| Mr Jasma |
| Mr Jaswant |
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| Singe said in an |
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## Crackdown in

 Burma ahead of anniversary


## We spend all day thinking about <br> reproduction. <br>  <br> was horn. <br> SHARP

by Mr Shankar Dayal Sharma
the president, during Friday's
opening of partiament.
However, there are indicaHowever, there are indica-
tions that BP leaders believe Friday's speech will he moreve
swansong than an overture swansong than an overture
With no sign yet of other politi cal partien set support shinting
towards the BJP? the Thmes of India yesterday cuaght Mr Mrestal
Behari Vaipayee, prime minis ter of five days' standine minis.
riag to
as an himself in an minterview ring to himeself in an interview
as an "interim" prime minis-
ter. The BJP remains 70 seats


Australia setback on Telstra sell-off


Tokyo steels itself
to defuse debt bomb

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## 8


US appeals to China on N-test

US defence officials yesterday urged China to halt plans to
carro out a new underground nuclear test, and said they had carry out a new undergenound nuclear test, and sa macear missile technolozy to Beijing. missie Uiecham Perry, defence serretary, said China had
Mr
appracheed Russia io obtain terhnology related to the SS-18 approachee Russia wo
long-rang missile ading that Washington had warned
Moscow it would be "a hig mistake" to allow China to expand its relatively small long. range missile force.
Mr
Perry said he believed transters of the
SS- 18 to China would be a riviotion of the Strategic Arms Rednction commercial space launching. Mr Walter Shocombe. undersecretary of defence, warned that
Beijing was preparing for an underground nuclear test at the


Beijing cool on Taipei overture China said yesterday that Tatwan must show by its action
and not simply in words that it was anxious to improve and not simply in words that it was anxious to nuprove
relations mith the mainand In in sis inugural speeh on
Monday. President Lee Teng bui of Taiwan had offered to


 intequational activities to create two Chinas' or one China
one TTiwan' snd must take the stand of a single China, not
 wager against Taiwanese independence, saying it had exposed
Tiawnee lears who had suported uinifation as a cloak
for their proindependence activitites. China had accused Mr for their proindependence activititse. China had accused $M$ M
Lee repeatedy of such activitist, hut sine the Marct
presidential poil has toned down its attacks. China regards force to secure its rever Tony Waller Beize
 China's north-western Xinjiang region. local officials sal
yesterday. The shootout came soon after authorities in aneged, were seeking to stir up a holy war. Reuter, Beijin
Lee defiant on Singapore deal Mr Lee Kuan Yew, Singapore's former premier, and his son
Mr Lee fslen Loong, deputy prime minister, told parlianent
yester received discounts from a developer on multi-million-dollar
con condominiums. "I have never taken advantage financially of
my position." Mr Lee Kuan Yew sald during a parliamentary dehate on the purchases
which prompted the goverciment over soaring realestate prices
sweeping to measure to sweeping measurues to cool the overheated property market
Mr Lee Luan Yew, now senior minlter, said "there is nothing to hide Xewd than seaior was merepared to tace are commisslon of inquiry on the purchases. Prime Minister Goh
Chok Tong told parilament he was sats 1 tied there was no


Pakistan power funding agreed
 private-sector investment for the project The bank's pledife to provide a partial risk guarantee" for

 a gurantee.
Pahistant authorities say financing will soon be completed
on several additional power projects which would iurrease generating capacity by more than n .,.ơMWW. The goverease
says It has a atracted considerable private-investor interest in the sector and will announce further incentives later this yeat The bank guarantee, which provides support for a debt
 agencies, made it possinhe to extend the maurity
loan to 15 years, the longest maturity to date for a commercial
financing package for Pakistan.
NZ election date announced
 moot recent oppinion poll s sows
and his National papty sliping.
Mr

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THE CLUB EUROPA ARGENTINA,
THE FUNDACAO GETULIO VARGAS AND THE
INSTTTUTE FOR EUROPEAN-LATIN AMERICAN
RELATIONS
Presents
THE EUROPEAN UNION AND
MERCOSUR:
TOWARS A NEW ECONOMIC
RELATIONSHIP?
A potential market of 570 million consumers
Seminar - Brussels, 10-11 June 1996
with the sponsorship of the
EUROPEAN COMMISSION

The event will be atuended hy several ministers from the Menem, as current Presidentint th the mercosur Council closing address.

This two-day meeting represents a propitious occasinn
for nhtaining first-hand information on investmen opportunities in the MERCOSUR, particulary with respect
to infrastructure, Moreover. senior MERCOSUR officials and other experts will examine the potential importance of the new EU-MERCOSUR economic and commercial

Registration requessls to Magdalena Segre, ReEA.
Conferences, Pedro de Valdivis $10,3^{2}$, 2806 Madrid Tel: (34) 1561.72 .00 Fax: (34) 1563.60 .08

NEWS: THE AMERICAS


Mexican
political
talks set
to resume
By Loslie Crawford
Mexion's political reform tatks
appeared too be back on track
pesterd yesterday a after Nationa
Action (PAN). the bleges opposition party, agreed to
return to the negotiating table
following a three-cmonth boy. cott prompted "by electora
fraud in a tiny mmichality in traus in a tiny mumici The. PANTs. absence had
threateened to siky tresident
Ernesto Zedill's Ernesto Zedillo's goal of ach.
ieving a national accorn oun
political retoral Last week poitical retorm Last week,
oowever, the ruling partys
najor im Huejotringo restened and was replaced by a PAN the opposition to return to the The storm over Huejotzing

Argentina warns UK over Falklands By David PIILing
in Buenos Alros Argentma Yesterday warred olution recognisisue a the righ self-determination sayto to
nany chainge of statns Britit
the事 islanders and recognise the
intrele
seffedetermee of the princine of
sase. case
since the 1982 war over the
disputed islands, sortaim and disputed islands, Britaim and
Arputinan have reetabished
dilpiomatic kirks. They have also pat aslde the sovereianty
issue
nider the so-ciled issue nunder the so-called
umbrrella er arrangement.
enabling the couclinde
accords on fishing quotas and oll But Argentina's Sorelign min-
istry warned y esterday that
imany things conld come tumunany things conld come tam-
bling down, sooll the
selfdetermination clause prosper.
The UK yesterday played
down the forelg minister
dom remarks, sayiug it bad
rececived no formal complaint

from Argentina | $\substack{\text { mr } \\ \text { from Argentina } \\ \text { Mella } \\ \hline}$ |
| :---: |

suggestions that the 24-mem-

${ }^{2}$ The committee has previ-
onsly rojected pressare irom
the UK
and the Fanklands to

 Buenos Airse
Conis y yearer, several
comittee members, such as



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it alin this
All other committee resolnAl other committee resoln-
tions inclided a clause on
selfdeternnmation, which the committree Mrofesses to con.
sider one of then most important
 sipg new. and Argentina
ing
ishould not be surprised by
our action."

Clinton accused of stealing Republican party ideas

## Dole pushes welfare reform



## World leaders choose world Jeaders. <br> 

 Cuba still shy of investmentAnd the US stance makes matters murkier, reports Pascal Fletcher

| introduced, new US leg. | This perception has been compounded by continuing | pace of foreign investment has slowed since May 31 last year |  |
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| $a$ longstanding |  | recorded totalling $\$ 2.1 \mathrm{lbn}$ of |  |
| mas embargo a agay | bureancratic celays |  |  |
| mocertajinty over the prospects |  |  | ge |
| for | ${ }_{\text {Thecse }}^{\text {The }}$ Helms. Burton |  |  |
| But pertaps equany worry- |  |  |  |
|  |  | In his most recent speech. |  |
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| some Cubs-watchers that the |  |  |  |
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| reforms is not onty less than |  |  |  |
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[^1]'Mad cow' crisis: While praised at home, the UK prime minister's action has invited European condemnation

## PM's threat echoes de Gaulle's 'empty chair' policy

By Caroline Southey in Brussels

There was confasion in role model adopted by Mr John
Major.
Britan's prime miniser, in declaring bis non-
oopperation with the other 14 member states of the European
Union
Some speculated that he Some speculated that he
might be trying to follow in the
footsteps of $P$ President Gaule of France, the only EU head of state ever the with-
Major's tough line wins approval

## Continent's leaders fete opposition Labour party's fiscal envoy

## By Robert Peston, Political Edthor

Mr Gordon Brown, the oppostion
Labour party's chancellor of the exchequer. may be regarded as a exchequer, may be regarded as
pariah at times by
because of his determination thues
nit Decause of fis deternination that a
Labour government stould cut pub. lic spending before smbiking cuew com-
mitments. But Lumenis. But in mainland Europe
he is being feted
On Monday
night, he was spread On Monday night, he was spreadernisation among an influential
group of French politiclans and pollcy botmins.
The ble toplc for discussion was
$\qquad$
$\begin{array}{ll}\text { Labour's European credentials. Hav. } & \text { ments, although both on the right, } \\ \text { ing been enged for years with a } \\ \text { Britisb government whose European } \\ \text { have apeared keen to establish a } \\ \text { Belationship with Lato }\end{array}$ Union views have been moving firom
agnostcicism to sceptcism, they wanted reassurance that a Lat
government would be different.
It is in imortant for vide this roresassurance. fif lit forms a government after the forthcomilng
general election - to be held in the spring of next year at the held titest thit
wit
Eilt take over the prestdenco of the Earopean Union at the end of tiag
durlig the crucial final phase of
moves tow moves towards monetary unlon,
scbedulued for 1999.
The German and French govern-
 impact on
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Discuss
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Doubts cast on science of export ban decision












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Britaln's pledge to obstruct Eritapans Union business wact
Euppored last night hy officiols epporealther EU nations as a
from olf-defeating measure which
sind could poison the atrnosphere in
which the heef crisis is belng addressed.
Both the European Commis.
diplomats from sev. eral member statats said the UK . ought to focus on the beef
prohlem tissef instead of trytg

to pick a hroader fight with its | But there was relief mong |
| :--- |
| EU diplomats that Mr John | rom his hardiline supporters openly to deff European law

hy tating action suct as a
and

 wourid compurcate things is it
carres out tits shreat.
It wasis stast
ight that this weed's meeting night that this weef's meeting
of veerinary officials had
come close tolliting bien on
ome UK heef products, and come close to liffing the ban on
some UK h hefo proucts.and
here were goop prospect for
fors

 ou make dramatic gestures."
The Commision, in a caustic
omment on Mr Maors threat
onmold up Eu husiness, said
be crash in the beef market was a proniem for the EU Es a a
whole and a solution can oaly
he achieved thought the proper Unctioning of the Union's
institutions and proededure. It
It was "in all the memberstates'
interests" to safeguard these
nrocedures. a Commlssion spookesman ssaid.
In the UK ye
Richard Macdonate. leader of the National Farmers' Unlon. said the government's move to
siow Eu decislon-making was
"a risky one." But he added "a risk iocil." But he hadded
that there was a strong arguthat there was a strong argu-
ment to up the ante. The
NFu yesterday lodged formal proceedings aganinst the bran in the European Court of Jostice.
The onion also declided ask
the court to grant an immedi-
 semen, and possihly on exports
of Briths beer to third coum.
tries. while the fuly capee is.
heard.㮯

[^3]INANCLAL TIMES WEDNESDAY MAY 221996


| THE PRINCIPLE <br> that takes partners to the top | Those who cooperate with DG BANK overcome obstacles with greater ease <br> Undanlably, today's business environ- to customized concepts. And that's where ment is more difficult than ever. Sooner DG BANK has much to offer. Not only interor later one runs up agalnst obstacles natlonallty, axpartisa and experienca. But best surmounted with the help of an experienced partner. Because moving THE WIR PRINZIP In a singular way. Wa up in the world is easier call it the WIR PRINZIP, together. For which to which DG BANK end wholeheartedly committed. reason you're at the right address with its staff are wholehear DG BANK. Partnership is the core element . The WIR PRINZIP Is rooted in the classic of our valua system. Hare the natural self- . tradition of the cooperative system linkinterest of both partiers forms the basis ing equel business partners. And it has of successful cooperation. Both want maxi- . a great future. Because it exemplifies mum profit at minimum risk. What's called tha central idea of partnership: mutual for is optimal counselling service leading cooperation leede to mutuel euccess. <br> Head office: OC BANK, D-802as Frankfurt am Miain, Gemany, Officas in: Amsterdam, Atlanta, aombay, Hong Kong London, Luxambourg, Madrid. Milan, Moscow, New York. Paris, Rlo da Janairo, ahanahal, Tokyo, Warsaw, Zurich. |
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Andrew Baxter reports on a cleaning service which reconditions batteries and exiends their use Refreshing approach to a longer life

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LETTERS TO THE EDITOR．
Number One Southwark Bridge，London SE1 9HL

European employers＇body has cast shadow over efforts to achieve consensus on employment committed to safety








 Trorking pracirices of many
interational mantracury




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 bj he association shares the movements concorns that
wortiers wordidide are safe

 guiden in ing ist hand in
 and subbentractors＇factories Tolor mambers ore requirect and have stringent safety
guidelines．In the coming Weaks we will be devering
the framg
thework for an the framework for an
independent committee that
will deal specificially with any
 David Hawtin， dircetor－gegeral， SO Camberwell Road，
London SES OBG．UK
Toy industry

$\qquad$

Poor need no reminding of cost of water


| water authority per litre． inesitahly，the growing number of pour marginalised people are worst hit． <br> With 1．2bn people worldwide still lacking access to safe water，clearly the problem is an immense one that wi he solved hy a panacea approach．The solution is not simply modernisation．Water sappes need io be extended to populations through low－cost and sustainahle solutions． WaterAid．for example， promotes technologies which encourages them to manage |
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| that technology themselves． setting affordable tariffs whic will cover the cost of maintenance and repairs． |
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| The point made hy P |
| gers．the Harvard |
| University water expert |
| ople need to |
| qualification． P |
| munities do not ne |
| inding－they are already |
| ig through the nos |
| Simm Tre |
| joional manager，A |
| Prince Consort Hnus |
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| London SE1 TUB，UK |

Clinton rhetoric will not rid world of mines

| m Mr Liotid Erya | anti－persomnel mines．It is | senals to the＂smart＂op |
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| den | cult to se how | $y$ legitimises the use of |
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|  | marlords will argue that they． | ${ }_{\text {Iresempectuve of the }}^{\text {presidents dection Cana }}$ |
| though relcome，mas | sluxation that remer | to |
| is essentialy | of antipersonnel mim | d to |
| r－minuenced | The immediate d |  |
|  | Of the US＇s huge arsenal | September．Many western states will be attending．Sadly |
| the day when＂children of | welcome but the US＇s |  |
| alk without | continued use of＂smar | conspicuous by bis absenc |
| the earth oeneath |  |  |
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| mique threat＂ | 硅h＂counterparts－the | Uk \＆Ireland |
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Confused view of London＇s advertising

## US companies have proved remarkably resilient，says Tony Jackson

## The survival of the oldest



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## FINANCIAL TIMES <br> Wednesday May 221996

## Toyota to win approval for Chinese engine plant


$\qquad$


In response to a Chinese Toyota，Japan＇s largest car
maker，is expected to announce today to has won approval for a
plan to build engines in Tlanjin．
northern China northern China

The Chinese | believed to have government is |
| :--- |
| goabeed to | with Tlianion Auta engine plant try nearly two years after the with the Chinesegan discussions to produce is expected inititally

 duced by Daihatsu，in whicb
Topota owns a contoling stake
Later tbe facility will make larger engines． Tovota，whict has been seeking a
Toothold hic the chinsesing
The joint veoture will thoost

Increase in farm prices will be short－lived，says OECD

| By Guy de Jonquieres in Paris <br> The recent rise in world agricultural prices，particularly for cereals，is likely to prove short－lived and risks encouraging industrialised countries to relax their efforts to reform farm poli－ cies，according to an Organisa－ tion for Economic Co－operation and Development study． <br> It also finds that a shift from prodncer subsidies in most indus－ trlalised countries in tbe past few years bas so far failed to cut overall agricultural spending in the industrialised world． <br> The current situation of high prices and tighter supplies is likely to be temporary and according to medium－term projec－ tions，world agricultural markets term shortage，＂the study says． <br> It expects nominal world cereal prices this year to fall sharply |
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Germany in ＇recession＇
continned from Page 1 Continned from Page 1
that Germany was a profitable
place to operate．the ministe place to operate．the mintinistry
said．So the goverument had pro duced a a 50 point＂action pro． gramme＂of mainly supply side
measures to boost investment
mind jobs at the end of January nid its＂programme for more
browth and employment＂，con－
bisting of sisting of spending cuts．welfare
restructuring and tax changes．
in a clear reference to trade in a ciear reference to trade
unions．tbe ministry warned：
Whooever blocks these in part




Malaysian steelmaker


## Italian Mafia linked to

 Russian criminals容䆟
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首宣畐

..... 8 年
 yesternas．
Mt the same time the Iialian MAt the same time the Yillan
Mafa is lamdering moneyontof
tbe former Soviet Union to
 operations dompesticann on in its
The rep
 was still folly entrenchered in soot－
ety and a rome to be reckoned
with with in spite of the reckoned
wirest oo Monday of Glovatic
Bioni
 Maj－Gen Verdiechio said tbe
Ithian Mafia had been nuvestimg through front companies in vari．
ous sectrors of the Russian econ－
omy，moll

 He added that a Mafia grour
was emergigg called the sarra
Corona


 Italian and Rrssian pollce fronans，
whict are attemptitg to
nate
nate efforts to nate efforts to combat the growis
lap threat of Roscflan organised
crime． ＂Since the collapse of the
Soniet Onion，em have seen a
marked expansion to
 both geoperaphicalty and in theper
links fith
 that Rasbians are are concerned national criminals wbo amere
exploiting Elobal bamkung ystes in the
nel m minous of poumds of inicit

 | agencies remam relliant on the |
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| conperation of the authorities in | the former Sofet Union

Lieutenant－Colonil Valker Serebryakov，of Russin＇s interior
ministry，said organcod
the mime min conntity frobived 22,000 peo－
tile
ple 400 of pion tratitonal wham wedire
pected criminal activties．


## French revolutions

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 minnows．And if British Biotech fanls
to inmpess the market with marimas．
tat It
shaneholder strupgele to rebuild the
shandence that it needs to Sharevide the funds for its iogeoing
research propramme．With the Engisb
Derby coming up．there must be better German telecoms

British Biotech The performanere of Bitish Biotech＇s

 compang＇s share price representsts a
 of around finh by the year 300s
Given British Biotech＇s record，it is


 Ing worssary approvals，despitita hav．
itted efficacy than is sus and mpested by mar－

German telecoms
The lobbying over bow Germany＇s
teleems martet should be opened to
The lobbying over bow German＇s＇s
teleeoms martet should be opmend to
competition has statried in earnest．
Yesterday＇s complaints by RWE，the Yesterday＇s complaints by RWE，the
energy prup，hhat the process is not
moring sumat ily enough is typical：
with the with the government trying to finalise
the legislarion in hite enert two months．
large sums of large sums of money rest on exactly
how the mules are trawn RWE＇s main
gripe is that the terms for connecting

 principal toon used by extmonopolists
to defend their turf
RWE＇s outcry also rellects the fact RWE＇s outcry also rellects，the fact
that DTT＇prospective compotitors arg Marks and Spencer The surge in Marks and Spencers
share
as an erice yestesterdiay shourd be seer．

 nance，partituecurarip rite womens wear． There was cerrainly some good
new．Brooks rothers．．1st 5 trouble
ome US acquisition at last appens to some US acquisition at last appears to
have been kuocked into shape follow．
ing the appointment of a new cheef ing the appointment of a new chief
executive year gi，farthertores
Mess＇s financial services business， now contributing sif per cest of ofroup
operating pronts，offers attractive Centrainli，any fears that the com－
pany bast its way can be dis． pany bad lost its way can be dis rather than sparkling．It is hard to get
excited abon the core UK business
despite the recovery in retail spend－ inspite the recovery in retain spend
ing．Undereath the headine sales fig．
ures．Uike－for－like erowth looks less ures
lmpesivive．The managemeot＇s com．
ments on current tradign may have
caused an exagerated flurry the com－ pany noted strong sales growth in
each of the last two weens．relatve to
be pret the previous year－but this was
placed in a context of volatile trading
conditions． After yesteriay＇s rebound，the stock
is still yraing at a oisconnt to the
retailing sector - －thoumh the setto retailing sector－though the seatcor is
rather distorted by recovery stocks．
iven thls，the culrent
 Lex comment on BAA，Page 21

## The capital strength to deliver

## 霊 Rentokil

£1，325，000，000
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£1，412，000，000
Revised Cash Alternativ
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## 婁 Rentokil

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Multi－Currency Standby Facility


## INTERNATIONAL CORPORATE FINANCE

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## A year in which fantastic deals became reality

The latest transactions are mergers of equals which cut costs and transform the competitive. industries, writes Nicholas Denton T

Judging quantity?
18 transactions worth
USD 4.3 billion made
SBC Warburg the number one bookrunner for European equity issues in 1995. Or quality? Corporate Finance Magazine voted SBC Warburg Corporate Finance House of the Year for 1995.

## 2 INTERNATIONAL CORPORATE FINANCE



The heart of Europe ${ }^{\text {s }}$ has two chambers． We are at home in both of them

Arguments exist as to whether
the geographical heart of Europe lies in the Czech Republic or Slovakia． Československá obchodní banka has branches in both republics． We＇ve been in business here for over $\mathbf{3 0}$ years and now represent more than two－thirds of all foreign investors in the Czech Republic． We can represent you too．

O
ČESKOSLOVENSKÁ ObCHODNÍ
BANKA，A．S．


For cross－border
corporate finance skills，
 call the people whose skills cross borders

Wirh offices in +3 countries and a wealrh of experienee around rhe world，the ANZ Banking Group has untivalled abiliries in inrernational corporare finanee．Through the calenrs of our multi－cultural team，we are able to offer an individ ually tailured service wirh the focus on strategic advice and the crearion of optimally structured debt and equity solutions．


Our rich local knowledge and multi－cultural approach to inancial facilitation will serve you well．For example，our commitment to the corporate and commetcial life of the ndian sub－continent over the last 150 years has given us a deep understanding of is business dynamics．That sort of understunding means that we have a unique ability to identify business opportunities and munage cheir develop－ ment rowards successful execution wherever they atise．

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##  <br> Brokers join advice squad

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Alison adds, and they want Arvestment bankers who can
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the last 20 years". Bat be
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Maggie Urry




$\square$ League tables：by Nicholas Dention

## Jostling for a

 top table spotFor all the flaws in
the listings system the listings system，
there are few better there are few better
available measures of performance


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## 5

## Continental drift expected

|  | UK financlal advisers－league tabl |  | 1995 points |
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| There are tro other reason | Germans that investment bankers are looking，and to its buge industrial conglomerates | pour cold water on suggestions | don and Paris．Two traditional UK houses，Baring Brothers |
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| stantilal takeover target． | least | dependent on cyclical bust． |  |
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## Taking stock of this year＇s investor relations success stories

## FINANCIAL TMMES WEDNESDAYMAY 22199



The game of trea
market economics invented
two huindred years ago in
the old world has become
more exciting than ever

## in the past few decades

Cross-border margers and acquisitions. infernational stock totations, privatisation of siate owned companies around the world. tinancing projects of heratofore

# Make Europe your home turf: team up with Dresdner Bank-Kleinwort Benson 

unimagined proportions, the open ing of eastern Europe - that is the new world. If you want to win in Europe, you should join a team with home advantage and a clear strat egy for success. Dresdner Bank -

Kleinwort Benson is bult on one ot Europe's major universal banks and leading London investment bank We offer more than a home advan lage in the old world and in ifs new narkets: we beiong to the few glob-
al ptayers who combine excettence
in know-how with tar-reaching tinancial resources. In other words,
leaoue You can reach us in London at +44 171-956-5220 or in Frankfurt at +49 69-263-2221

## 6 INTERNATIONAL CORPORATE GINANCE

Emerging markets：by John Pitt
Confidence returns E Debt finance：by Samer iskandar

The Tequila effect was a chastening
experience for experience for
investors．But investors．But

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## FT <br> мй

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New trends in raising funds





## Derivatives remain on the menu

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# British tradition lives on 

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## The role of accountants: by Jim Kelly <br> Still in the junior league






While the role of accountants have found a gap in the market
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pe friance by the value of
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## For Swedish business, consider a bank with a view.

The nióre globar tivancial markets become, the more impor, batwo to tiane a stang loid presence. Aspart of Swedhaik; ore of the largest bankingegroips incandinavia, we provide through our network of local Branchies aap cuinatched overview of the regional markets: Our tean of close to 600 professionals are committed to \%visis the personal attention needed for customized financina solitions.






## 8 INTERNATIONAL GORPORATE FINANCE

The individual still counts

Investment bankers are less
colourful than they once were colourful than they once were. fewer who would proclaim themselves as such. Investment banks tend to be cautious about
putting executives in the public putting executives in the pubilg
eye. It complicates their intemal eye. It complicates their intemal
politics, and creates the impression that the business is dependent on a few individuals.
Old-timers complain that the advisory business has been taken
over by technicians. As more and more deals are within industries, So expertise in the economics of a particular sector commands a
premium. While the archetypal dealmaker of the 1980s would have known the key corporate raiders and the tricks of financial leverage, the industry specialist
of the 1990 s must think like an executive of must think like an represents. But the decline of the individual
can be overstated. Investment leading executives so that potential clients will be impressed. Those institution seeking to break into investrmen banking - the ultimate people business - have tended more often to buy people than businesses. Individuals still count, and some of them are profiled on this page.

It's the bank, not the adviser

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## Affable with a naturally low-key style



Brian Frns "
being young


WVE'HR TLARKNG CUSTODY



Simon Borrows/Baring Brothers
An enthusiasm for organisation
There was a time when took an nibA course at the them."Mr Borrows tealls.

Walter Gubert/JP Morgan
The ultimate European


George Feiger/SBC Warburg
Academic with a cutting edge

| re is no doubt that George | helped financial instit | But some former colleagues | makers such as M |
| :---: | :---: | :---: | :---: |
| ger. head of investment | develop their strategie | say that a big crunch while | man. Michael Tory and Philip |
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| asor of Einance at Stanford | heeame chief exe |  | investment hanks will |
| University's business sch | Warbur |  | money in a rapldyly consolidat- |
| helped him produce one of the | that he to |  | ing industry |
| teading textbooks on interna | roll to implement the merger |  |  |
| nal fiuance. |  |  | tch-up with the leaders |
| A move into management |  |  | nong US bulge bracker |
| consultancy in tsst brouzht | The integration of SBC and |  | ms. be sa3s. "We are on 1 |
| bu | l.s00 jobs. was done hy the |  | do is to stay in one place.' |
| ing As a direetor of Mckinsey. | management consultant's text- |  |  |
| Mr Feiger | hook: quickly and decisively. |  | Nicholas Denton |

## Gary Parr/Morgan Stantey

Specialist par excellence



FINANCLAL TIMES COMPANIES \& MARKETS

 19966 ffom Y94.3bn previously. Page 20 Japai's goneral traders seop profits soar
 by Inancial grins and expanjion of developing
economies im southeast Asia Page 20 Allied Domect sells Conithēntar: nesses in the last 20 ionths. If remains under pres
sure to improve performance, atiter a a trop in moder
lvin lying profits from spiritit. Page 2l

 companies to s sip s network compoter-a new low
coset device desigeded to heip userss surf the Internet
Page 21. Page 21.

 crivit of CIM Resourcesi' the Australian company in New South Wales Päeq2



## Overseas

 strength lifts TDK by 70\%
## 


 announced yesterday.
Rapicid
 resplts for five years, as a s shaft o
produccion away
trom Japan

growth n demand for con muterse
home
nications - Ilcations products boosted sales
of TTRS conponents.
Operating profit rose 4.1 per
 profit - before extraordinary
items and tax- was
cent to
cos.
Sales cent to Ys..9nn
Sales of magnetc products
were bigheir by 10.5 per cent at
Y128.0bn, ceramic and assembied YY28.96b, ceramic and assembiled
products soles rose 7.5 per cent to
Yis
 cerices
$\begin{aligned} & \text { Yzapsh. } \\ & \text { Howe }\end{aligned}$

## Brooks Brothers boost for M\&S



## Barry Riley

## Inflation-proof bonds

## lurk in the shadows




aill in sales of audio tapes Oideotape prices.
Overall, overseas sales were
 cent to Y27.7nn $\begin{aligned} & \text { Parent company recurring } \\ & \text { profit was up } 29 \text { per cent to } \\ & \text { Y3i.6nn on turnover } 7 \text { per tent }\end{aligned}$

 | $\substack{\text { parent } \\ \text { Y̌3sbn } \\ \text { Yasbn }}$ |
| :--- |



Sonat lifts bid for Norway's Transocean by Hugh Carnegy in Stockholm
A battle between two Texan oin
drillers to take over Norway's

 Transocean, one of tha world's
largest offthore dinithe compt nies, had backed Sonats earfier
hid agains a hlyhero ffrer from
the Houston-based company's
 agreement with Sonat
ma a development which could
decide the issue, Tramsocean also

 tance of sonnats origina terms
hecanse it sid the Reading
Rates bid offered sbarebolders
better valne

 share cash for the remaining 2
pper cent. This compared with it
Irrst offer of 0.412 Sonat share
tive plus DSs5.35 in cash for each
Transoceam sbare. The bid
marrease the vyaue of the offer
from US $\$ 27.08$ per sbare to


 the new combined compary from
starting life over-leveraged But
Trantocean clearly favoured a casb element and paiounted a out
that Reaing \& Bates's offer was
handerin conditional on 90 per cent accepp.
tance.
onat said its bid was con-
 mg combining the two com
nues offered better future en
ings fran
share price stran strengentb sare price strength.
The batte for Transocea
he latest tma long line of $r$ alisation moves in the offisbore
drilling industr. Transcean
brilt trity from bumble beginnmg over mepe patt decade, speciaises
in exploration and rreprodne
tion development driling.


Global banking made in Germany.

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## SCA adds to pulp and paper sector gloom




## Lufthansa seeks DM1bn

 savings over five years| By Andrew Fisher in Frankturt <br> Lnftbansa，the Germa national airline，plans to c operating costs more tha DM1hn（ 6651.6 m ）in the ne five years as part of a renew savings and productivity dri to achieve a sharp rise in pro chairman，said yesterday． <br> ＂Some of the measures th will have to be taken will painful，＂he said．＂We cannot afford to sit back and rela Europe have also declared wa on costs．＂Britisb Airways sai on Monday it would bave find flbn（ $\$ 1.5 \mathrm{hn}$ ）in the nex petitiveness through cost cut more efficient use of assets an improved revenues． Mr Weber declined to giv |
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| However，it stressed inven－ ry rundown appeared to be w material prices were rising ain．This would ease the essure on end products－an improving economic climate the US and Japan <br> Net sales slipped from ambin to SKr14．96bn and earnings per share from r44．86 to SKr3．07．SCA＇s most． SKri30．5． <br> The company blamed the |
| :---: |


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 SKr661m to SKr418m，du
chiely to a shap decline in
liner sales amid falling raw chier sales amid falling ra
linaterials prices and depressed
demand
SCA said its strategy was focus increasingly on val
veeadded proturts within the
hygiene and packasing diri． vieadded products within the
hygiene and packaging diri
sions in order to reduce the group＇s＂cyclability＂．It also
intends to become a net pur
chaser of liner．
 in
inger．m．perenect paper a merchant
ing and market pulp．


DM4，6hn and the seasonal
opargo grouth was likely to he loss was reduced hy
only


## BNP bows to pres <br> BNP bows to pressure on CIP with takeover





## Thas

Philippine Long Distance Telephone Company to purchase for cash
up to $40 \%$（US $\$ 100,000,000$ ）of the
outstanding aggregate principal amount of
10．625\％Notes Due 2004 IsIN No．US778252AA75


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Lehman Brothers International（Europe）

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Citicorp Securities，Inc．

Incentive revamp puts focus on power group

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 Monaby pontabe power






















## news digest <br> Holzmann reveals further losses

Philipp Holzmann，Gerrmany＇s biggest construction group
which reported a surprise 1955 net loss of DM443m（²888．6m）， said yesterday it had made further unspecified losses during
the first quarter，It also said it would sel husinesses worth up to DM350m in sales to improve profitability． Mr L．othar Freitag，the acting finance director following the
departure last weed of Mr Michael Westphal，said the grove depar also talking to a number of German companies
wpecivilising in power stations and to to US grouns active in the specialising in power stations and＂to US Uroups active in the
GTerman marset＂about a solution for Steinmiviler，the Hoimanan subsidiary \＃hich makes power stations．Holamann
saidd it would not sell Steinmiller，which last year reported Homever，the German market for power stations will slow dramatically after 199s wben a number of investments
easterm Ger many hare ben finished．Holzmann said an agreement would have to be reached with companies like
Deutsche Babcock and GECCAlshom the Anglo－French eroup to deal with excess capacity．Soles fell 11 per cent in the first
quarter to DM2 4 bn because of an unusually bitter winter in
German
 Lo
to rise slightrly to DM14． binn from 1935 turnov
He declined to forecast this yuar＇s profits．

Thyssen profits decline 15\％
 expacted slowdown in a number of its cyclical businesses．It
made profits in all corporate sectors and expected profits to
nevel
 ＂settsfactorily throughout the rest of the year rease 1 signs
Thyssen was beeneftinin from the rise in the value of the
dollar and other European currencies against the D－Mark． But the company repeated tis earlier warnines abont the
tragile state of the German economy－Without further signs of
growth in the economy the growth in proits will be


 construction indussry，one of Thysen＇s main clients，to a
virtual standstil The group also said thad nerasedits
stake in E ．Plus．Germany＇s third mobile phone network from Stake in EPlus．Germanys sthird mobile phone network from
Michoel Lindemann
25．4 per cent to 30.1 per vent．

## Expansion costs hit Telia

 this year as the eroup suffered from intense yecarpetition in ithe
dereguated Swedish market and the cost of an International
expansion drive． expansion drive．
Howevere，oper
Hovever，operating revenueg rose from SKr9．5bn to
SKrivern as income from fixed networks rose and mobile
telenhone subcrip


CLF confirms Belgian link－up．


 Cospipm＇s second largest bank，which would lead to an
Eexchuango of tut to po pent of each other shares．
The move would create the largest European financial

Gucci doubles sales in quarter


 Montedison investor denies pact Shares in Mantedison，the talian agrihusiness，chemicals and
energy group，slipped backs slightls vesterday after a energy group，slipped back slightly y esterday after a
sharenolder who bod calle for the break－⿰亻⿻乚㇒ of the company

 management suggesting the compans
the benefit of existing shareholders
The eleak of the letter prompted heavy trade in Montedison＇
shares which have sine risen more than 5 per cent．Codelout
which was said to have rallied
 nor writen arreements with other shareholders and implied it
would vote
wits 4.8 per cent tsake in Mont
 Thie pubuc ofer of shares in Mediolanum，the thalian life assurance and Gnancial services company，closed yesteriay
with the offer more than 15 times oversubscribed．
Andrew Hill
SBC confirms banking split Swiss Bank Corporatlon yesterday conirimed it would transfer
its ruivate banking snd fund management arm，SBC Private
Rankina Banking into selfsta

beginning of next yea | $\begin{array}{l}\text { beginning of next year．spirting it trom the group＇s Swiss } \\ \text { retail banking division．} \\ \text { George Graham，Banking Correspondent }\end{array}$ |
| :--- |

## OBITUARY：EDOUARD BUFFARD

## Founding father of ubiquitous pen maker

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|  | 隹 | Andrew Jack |

Investors cash in on restructuring trend

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## Great dishes of the world

(As served 24 hours a day by Cable \& Wireless)

If telecommunications are vital to today's world, one name is vital to telecommunications.

## Cable \& Wireless.

With businesses in over 50 countries, and our own network of high-quality cable and radio links, we're the third-largest carrier of international traffic in the world.

We're involved in mobile businesses in 30 countries; from the UK, France and Germany through to Singapore, Hong Kong and the Caribbean.

We helped launch Asia's first privatelyfinanced communications satellite, which has a "footprint" covering almost half the world's
population; we're laying fibre-optic cables linking the UK with Japan; and we're partnering VEBA of Germany to build new businesses in the EU.

If that sounds like a technical success story, it's no less a financial one.

Since Cable \& Wireless was launched on the stock market in 1981, our growth in earnings per share and dividends has outstripped the UK average by over $200 \%$ *.

Above all, it's a success based on the unique Cable \& Wireless mix of advanced rechnology and unparalleled experience of building trust, effective partnerships and
long-term relationships with governments, businesses and customers alike.

And with telecommunications set to be one of the world's fastest-growing industries over the next decade, we face the future with some very appetising prospects indeed.


CABLE \& WIRELESS

## CompuServe to refocus as Internet-based service

| own information off <br> on the world wide weh shifting to internet st ds CompuServe will be al devote more of its resour creating value-added 5 instead of proprieta npuServe presidenl a executive. This new initiative not on |
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ained hat husiness uravellers.





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By Louise Kehoe
in San Francisco

| in San francisco | required. ${ }^{\text {d }}$ |
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| CompuServe, one | lous simular moves |
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## US retailers begin to see some light amid the gloom

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Utilities sweeten merger terms to woo investors

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Please return to Charlotte Green. FT Financial Publishing Maple House. 149 Tottenham Court Road. London W1P 9LL. UK Telephone: 01718962314 Fax: 01718962274

## Goldman to convert to limited Piability



## REWS DIGEST <br> Raytheon to buy WMX pulp unit

## WYRT Tecthologies. Lhe Chicagobased waste procssing and

 enginepapering
pirision 0 op Raytheon for sinsm The sale is the first in



 it the rasitbeon sise
Raytheon which has said it toped to expand into chemicalt

 the nett tion moiths.

Hotels boom for Vancouver




## ITT in riverboat casino venture

 the ohio iver in indiana Casesar's World. ITris casino group.



## AIG to lift dividend 17.6\%

 cents a share Mr Mayice ereatencre the group chief

Eastman Chemical upbeat



## Spar Aerospace appointment





Northwest in Hawaii accord



Echo Bay maintains TVI stake




GM plans $\$ 850 \mathrm{~m}$ revamp

 on upgrading machinefy and huy
straieb will result in iob cuts.


FINANCIAL TIMES WEDNESDAY MAY 221996


## COMPANIES AND FINANCE：ASIA－PACIFIC

## Honda surges on back of leisure vehicle sales



## Japan＇s general traders double growth in profits



## ANZ posts $12 \%$ advance to $\mathbf{A} \$ 520 \mathrm{~m}$ at interim stage





Tranz Rail issue to be platform for new projects

 of new capital，the company
said sesterday．the company＂s
Nexisting shareholders existing shareholders
Wiscosin centril
investor Ber private
 boldidgs in the compans．
These three companies
hougt New Zeaiand Rail from
tbe national gorernment for
 tax．paid profit of NZST3．6m in
the year to June last fear on
turnower of NZSojim





Asian expansion for Canon






Mycom buys UNP stake


 Thytood Mysea said
The company ouns
 asix．ine plywiod production facillty capabhe of producing
 involved in the manuafacturing of plywood and other related


NTT scotches DBKom rumour Yippou Telegaradh and Telepbone of Japan Ig not planning to



Total Indonesia
 and
 eviter，Sinyapore

Approval for new carrier complicates restructuring
of Thai Airways




FINANCIAL times wednesday may 221996
COMPANIES AND FINANCE: UK
British Biotech shares soar


Allied Domecq sells
Continental for $£ 49 \mathrm{~m}$


| By Christopher Brown-Humes | ment, of $£ 2.9 \mathrm{~m}$ on sales of |
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| d it had | in Holland, ${ }^{\text {a }}$ |
|  | and Belgium and has |
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| US ingredients business called | based biscuit operations, $m$ |
| DCA - in the last 20 months. | ing it ane of Exrope's lea |
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|  | Mr David New |
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|  | an-European capability in |
| Continental is a pan-E |  |
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| which achiered operating prof. |  |
| Its, after minoritles adju | cuit activities, he statei |



Thorn EMI shelves plans for FONA sale



Results


Polly Peck International (Finance) N.V:

Notice of Annual General Meeting of Shareholders


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## PARANAP FOPEL



 $233-$ pround noor.

## We're good to wood <br> 

Only $12 \%$ of the World's production of wood is used in papermaking.






## Vosper moves ahead to $£ \mathbf{2 8 m}$




## RJB makes first overseas foray

| By Patrick Har and Nikki Tait | Mr Ricbard Budge, chief executive, sadd RJB was moring overseas hecause of the | for 35 m shares in CIM at 90 cents a share. In addition, it will have an option to buy a | RJB will pay cash for its CIM investment. It has a relatively strong balance sheet - gearing |
| :---: | :---: | :---: | :---: |
|  | poor expansion opportunities | further 50 m shares at 100 cants |  |
| minant coal mining group, is | at | a share in the following 12 | the yroup to announce a siom |
|  | coal proauction | option would take RSB's boid. | share buyback programme. |
| chase of a large stake in | "We will concentrate on UK | ing to 2.5 per cent cim make |  |
| RJBI, which bought the buil |  |  |  |
|  |  |  |  |
|  | said. However, Mr Budge said |  | have attempted to build |
| ate to spend As136m | RJB would not be rushing into | $\begin{aligned} & 106 \\ & 110 \end{aligned}$ | roduction assets in the |
|  |  | then reach 429 per cent. |  |
|  |  |  | Hion assets were Hilated oif, as |
|  |  | ceario on | lier this year. |

## Pension costs peg M\&S advance

| By Crristopher Brown-Humes |  | European markets, and a weak | growth of personal lending. |
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|  |  |  | tions also made |
|  |  |  |  |
| (81.52bn) profit barrier for the | fo | Christmas reductions. | espite difificult conditions |
|  |  |  | e and the effect |
| . Sir Rin sicbarid |  |  | trikes in France <br> MeS sald a valuation |
|  |  |  |  |
|  | $\underset{\text { es }}{\underset{K}{2}}$ | market sbares and margins. |  |
| tinuing operations to sp94m for |  | t | a |
| ee year to March 1996. Group | tions in some |  |  |




## EU agri-environment programmes cost £1bn

## (1) Europen Uivon member     

## European water under threat from farming <br> ing

 Sill
 annual report on agricaltural Coontries spending most on maintaining extensive eqarass
policies, markets and trade. the scbemes are Germany. land, with 17 per cent of agri
But it
 tion of new programmes".
The socalled agrienvironment programmes, drawn up
as part of he 1992 Mawshary
reforms of the Common Agri.
coltural Policy, vary considerat




\section*{| Norscan |
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| pulp stocks |} fall again



Problems pile up for NZ livestock sector
Many farmers could face forced sales, writes Terry Hall

|  |  | cing costs exceed 20 per cent of |
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| report warns. So they mustconsider such options as sent ing, leasing or subdividing |  |  |
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| their property or finding ways finding jobs off the farm. |  |  |
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| - "There are now a simimicant |  |  |
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Western Australian steel deal signed

## by Nikdi Talt in Sydney

 Taiwan's An Feng SteelCompany and
Resources angstream Resoarces, the Angstraiaun
exploration groum, have signed ea formal heass of agreement
for hhe Midwest iran and steel
project", near Geraldton in


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## Most European centres lose their early gains

## By Samer Iskandar in London and Lisa Branstan in New York Most European bonds reversed early gains to end the day mixed or slightly lower. French comments of Mr Olaf Sievert, a member of the Bundesbank board Moard Slevert predicted that German M3 money snpply growth would soon slow cearly, that a stronger doliar was beneticial to the German economg, and hat there was oom for the Bundesbank German bomdst fraded quietly and ended almost muchanged. axpe.90, down 0.01. Traders roneased sutaper this week April is

## World Bank makes surprise return to five-year dollar sector



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| expectations. Meanwhile, tbe Bank of England said it would gilt due 2021 on May 29. <br> EUS Treasury prices edged higher in quiet trading early yesterday as investors awaited the conciasion of the Federal Reserve's Open Market Committee meeting. <br> Near midday, the benchmark <br>  the two-year note was th higher at 993n, yielding 5.976 per cent. The June 30 -year bond future remained just below the 110 point barrier with a gain of $\frac{s}{16}$ to 109 ? <br> The yield curve that traces the spread between the twoyear note and the long bond steepened by 3 hasis points to steepened by 3 basis points to |
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| nd underperformed other <br> All eyes were on the Federal <br> Wall was nearly unanimous <br> olk would leave interest rates <br> changed <br> Many were hoping, however. <br> at the Fed would make some |
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## MARKETS REPORT

## Verbal support takes dollar to 16 month high

## The dollar yeste





## Coross bates and denve



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ranclal times wednesday may 22190


inancill times wednesday may 221996
FT MANAGED FUNDS SERVICE
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## LONDON STOCK EXCHANGE

## FT-SE 100 fails in attempt to penetrate 3,800

| Stock Market Editor | ish Borneo. But dealers maintained that the market was lacking reai | 4.529.2, in a move that owed much to British Biotech, arguahly the day's outstanding individual stock | a decided trend during the after noon, as the Federal Reserve Open Market Committee meeting got | vided excellent news from the street, achieving preliminary ilts at the top of the range o |
| :---: | :---: | :---: | :---: | :---: |
|  | sizeable takeover bid to continue its |  |  |  |
|  |  | Marks and Spencer, which helped | ted no immediate move in US inter. | ift the rest of the retail sector. |
|  | at the 3.800 leve |  |  |  |
| claxo, helped to rescue the UK | the session, but just failed to attre |  | e | ¢ |
|  |  |  |  |  |
| Without the impetus of those |  | The 7 per cent gain from Marks | for business. <br> A bullish report on its Marimas- | ty to penetrate 3,500 . |
|  |  |  |  |  |
|  |  |  | Blotech, the leading uk biotech |  |
|  |  |  |  |  |
| rial A | Was still viewed as unconvincing by a number of traders. | of its gains to Mos and oils. | cent, before they turned down and | Turnover in equities at fopm was a Towly 693.3 mm shares, with non-Foot. |
| The second line stocks featured ree scintillating displays, from ritish Biotech Inchcape and Brit- | They were equally scathing about the performance of the Mid 250 | There was no real support for London from yesterday's perfor mance on Wall Street, which lacked | eventually settled aro cent higher on the day. Marks and Spencer. | sie stocks accounting for 38 per cent of that figure. Customer trading on Monday ras worth e1.sibn |




REPUBLIC OF CROATIA
City of Split
City Council
announces
for lease of the Banourna Office Building in Spltt

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International bids are invited for the lease of the Banovina Office Building in Split, whth the purpose of renovating
ad making proper use of this exceptionally valuable office space and its accomparying facilities, situated on onc of the most atruactive locations in Split
According to the concept
ing may be used as:
1. Trade center and hotel
3. Tad
1. Trade center
3. Hotel
3. Trade center
Other as propased by Bidders
III
The subiect of this lease is the building occupying the net indoor area of 11,27 1sq.... and 800 sq..... of outdoor
area (teerraces). The Banovina Building will hive an exclustive right of nse of an openarir parking lor with apprux. 120
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IV

 purchased for a fee of KN 4,0
614, Reference $\mathrm{No} 247722.$.

Bids shall be submitted either directly or by mail not hater than on June 7,1996 to the following address:
City of Split, City Council, 21000 Split, Mazioranicevo setalizet 1, CROATIA
vII
The bidding procedure will be organized and conducted by the City of Split Coy Cowncil. Bidding doge
City of Split, Management Department, 21000 Split, Mazaranifero setaliste 1
All other informaxion maxy be obzained from the Manageemennt Department, Split (Żarko Ahujevic, BSc, Director)
Phone: $+385(0) 21589170,+385(0) 21357567, \# 385(0) 21587431$
vIII
Al bidders shay




FINANCIAL TIMES WEDNESDAY MAY $22!996$ *

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## US equities steady ahead of FOMC

| all Street |  |
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| US equities hovered near to |  |
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| Sarcax FTEnal | estimate from analysts wa |
| meeting, bnt economists remained divided about the |  |
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| through to the end of the year. |  |
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| Therefore, many were hopefiul that the Fed would release |  |
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|  | Monday. The TSE3300 compos. |
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| of the meeting. <br> Stocks derived little direc. |  |
| tion from the bond market. which was also relatively lat. |  |
| Among individual shares, oll |  |
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| companies in the Dow gave up |  |
| some of the strong gains made on Monday after the conclu- | out a deal to allow Baghdad to |
| sion of the United Nations deal to allow Iraq to sell oll to raise | resume exporting limited |
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| money for bumanitarian aid. |  |
| Chevron retreated $\$ 11 \%$ to $\$ 60 \% 4$, |  |

## Mexico City ahead

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## Frankfurt makes running with spurt to peak

\begin{abstract}



## ASIA PACIFIC

## Hong Kong sharply higher for second straight day

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## Gamineribanks focus on German and Turopean economic issues 5/96

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The Straits Times Ind

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EUALA LUMPUR extended
The Bundesbank should stick to its guns

Record unemployment and a stagnating oconomy have put tha Bundesbank under enormous pressure to stoen
an expansionary monotary yourse. However, a marked
deviation from a neutral stance for any length of time deviation from a noutral stance for any length of time
would raise the danger of a sharp adjustment later would raise the danger of a shapp adjustment later -
which would cancel out any benefits in terms of growth
and employment. There is no noed, therefore, to re-cast and employment. There is no need,
the underiving hhilosophy of Germ
which has cleariy been successful. 20,


Ther mey enments of the econ-
omic-policy conception are easily omi-policy conception are easions domsins of public policy should do what they are best equipped to do; accordingly, monetary
policy ensores that, from the is beld in cbeck. Second, tbe Bundesbank caan beetst suppor the goals of reasonable economith and a higb lavel of employment by resisting the tamptation to mee-tane the econouy. Lts proper role is to exert a trablixing influence by adopt ing a medium-term approach




[^0]:    IBS, founded in 1862, group assets $\$ 336$ bn, shareholders' equity \$21 bm, cash flow $\$ 3 \mathrm{bm}$, Corporate and Institutional Finance, Trading, Sales and Risk Management

[^1]:    A master of recognising market trends, ILFC, the world's leading wide body lessor, has ordered over 50 Airbus Industrie A340 and A330 aircraft, including the new long range twin, the A330-200. A master of designing economic efficiency, Airbus

    Industrie has developed the world's leading family of 250 to 350 seat aircraft, the A330 and A340, of which more have been selected for lease and or purchase by more of the world's leading airlines than any other new aircraft in their category.

[^2]:    Accurate as science may be. the beaten track. The chemical its effects arre ofirn haryl to predicl. muknown. and ruling out trial and error would mean never Iraving
    the heaten track. The chemical perticular, face incal industries, in Dning awey with pest, for instane cen eliminate the natural contrul
    of other organisme. inducing their growth, zenerating unfuresern threats. And the puldir that wanted the "poenr results has linle paliener"

[^3]:    Iolaal insuranec group, has long Hareniiral und phurmaceuterand inluenrims und harmaceutical inrishr. tlirrilative risk finanuing
    plens meecing u companys nurds for lung-trom coss transpurency and stability, may he a anlution. If the lille of misfortune cannon be axoiderl.

[^4]:    7\%\% Notica of Meoting of Holders of

